

**Perry/Willard Wastewater
Facility Board Meeting
975 West 1000 North
Willard Utah 84340
April 6, 2015
5:00 p.m.**

Members Present: Chairman Steven Pettingill, Board Member Greg Hansen, Board Member Bob Beebe, Board Member Esther Montgomery

Members Excused: Board Member Rod Mund

Others Present: Plant Manager Jeff Hollingsworth, Willard City Council Member Dale Freede, Greg Westfall, Perry City Administrator, Hal Allen Jr., Allen & Associates, Susan K. Obray, Minutes Clerk

1. Welcome & Call to Order

Chairman Pettingill welcomed and called to order the Perry/Willard Wastewater Board Meeting.

2. Approval of the March 9, 2015 Minutes

MOTION: Board Member Hansen moved to approve the March 9, 2015 minutes.
Board Member Beebe seconded the motion.

Board Member Hansen yes

Board Member Beebe yes

Board Member Montgomery abstained

Chairman Pettingill yes

Motion Approved: 3 yes 1 abstained

3. Agenda Items

A. Budget Planning

Chairman Pettingill said that the board needs to look at the budget and what they see in the future as far as what is coming up this year. He said he and Jeff have gone over a few things that will increase in the budget. Chairman Pettingill said one of the biggest things we need to look at is some of the spare parts. Before the meeting Board Member Hansen and Board Member Montgomery went on a tour of the plant with Plant Manager Jeff Hollingsworth. Board Member Montgomery stated that was a big concern.

Jeff said he has replaced a few sprockets and a bunch of gear boxes under warranty. Chairman Pettingill said that we are not under warranty now. He reported that the chains are \$7,000 the gear boxes \$14,000 and the sprockets are \$2,500. Chairman Pettingill said we need to incorporate in the budget for them to come out and change the gear boxes. Jeff said it is around \$1,000 to change out the gear box and pay for a boom truck and labor is around \$900. Chairman Pettingill said it would cost around \$24,000 to change one out. Jeff said that Westech has designed their own tools to break the chains. He said that he has never replaced a chain and that is why it is a concern because they are 5 years old and their life expectancy is 7 years. Jeff stated that he can see the wear in between

the links and the way the chain has been stretching. He explained the last time he put the gears on the chain barely fit the gear on the new sprocket. Board Member Beebe said that we had a problem in the beginning with the wrong sprocket. Jeff said we have a new chain that rotates the teeth and it is larger. Chairman Pettingill said in equipment and repairs he would suggest a \$22,000 increase just for that item alone. Board Member Montgomery asked how he came up with that number. Jeff said gear boxes are \$14,000; gears are \$3,000, and \$2,000 for labor that is without the chains. Chairman Pettingill said we need to talk about Ken and an increase in wages for him. Jeff said it's hard to find someone that is a solid worker, a certified Union Plumber. Jeff said Ken was hired at \$15.00 an hour. Board Member Montgomery asked how many hours he works. Jeff stated Ken works 40 hours a week and has been here a little over 6 months. Chairman Pettingill said we need to incorporate a wage increase as he anticipates that he will pass his test the next time he takes it. He stated and if he does and gets grade 2 certified he expect to give him more than just a token raise. Jeff said the test is written by a panel of PHD's and has an 80% failure rate. He said you can only take the test every 6 months. Board Member Beebe said that there are a 100 tests involved. Chairman Pettingill said we need to incorporate a \$3.00 an hour raise, not that we would use it all but we would have that much available. Chairman Pettingill said that would be \$4,860 and you need to add taxes and benefits, so it would be \$6,400. Chairman Pettingill reported that we will need to pay for Susan to do the minutes and attend the meetings. He said he had talked to her and she does the minutes for the Flood Control at \$100 a meeting. Board Member Montgomery mentioned that in the February meeting when the financial and account was proposed they said that Perry was charging Willard in the area of \$8,000-\$10,000 for the accounting and such. She said the fact of the matter is Perry has not been charging Willard before 2012. Perry has been absorbing the cost of all of the accounting and financing that has been going on. She stated that all that has been proposed, the accountants and contractors are going to cost, a cost that was not being accessed before.

Board Member Beebe said he can't argue with that because he does not have any numbers in front of him. He stated that Willard's numbers to Perry have gone up. Board Member Montgomery said there is a budget that is set and there are expenditures that come out of that budget, the budget does not change. Chairman Pettingill said the interlocal agreement says that we will collect the money. He explained that we need to collect the money and this board will disburse the money. Board Member Montgomery said that is not according to the interlocal agreement. She said that amount of money that Perry is supposed to be incurring from Willard City that was being misrepresented. Chairman Pettingill figured \$1,200 a month on a contract basis for Susan Obray to do the minutes. Board Member Hansen said that would include her time here, taking minutes, preparing the minutes, noticing. Chairman Pettingill said at times there would be some clerical work included. Board Member Hansen said with respect to Susan and some of the changes, we may have to move this meeting to 5:30 p.m. He said Susan needs to get from Perry at 5:00 p.m. to this meeting. Chairman Pettingill said we have been very flexible in the past, and we will do whatever we need to do. Board Member Hansen said that we need to allow her enough time to get from Perry City to this meeting. Chairman Pettingill asked if 5:15 p.m. would work. Susan agreed. Jeff asked if they were concerned with electrical motor back-ups for some of the equipment. He said we only

have one of each as the grit system, the step screen; he does not have any electronic parts at all for anything on the shelf. Board Member Beebe told Jeff that the board needs a list of what he thinks he will need on the shelf. Jeff said that he would have his electrician come out and go through the plant and make a list of items that he needs. He stated that he has nothing and it is next day panic mode. Chairman Pettingill commended Jeff on finding the very best prices on equipment, supplies etc. He said that is part of the reason these financials will be changing is so that Jeff can make deals with companies and we don't have to wait for city approval.

Chairman Pettingill said right now we have \$29,600 extra in the budget. He asked Jeff if he has heard if Rocky Mountain Power is going to raise their power rates. Jeff stated that he hadn't heard. He said the 33% bill increase hit us kind of hard last year. Jeff explained that he has doubled up on some items but as far as electronic items he has nothing. Jeff said he would get them a list. Board Member Beebe stated that we need to get some items on the shelf. Chairman Pettingill asked about a vehicle. Jeff stated that his vehicle has 190,000 miles on it and it was donated by Pettingill Farms. He said that the Chief drove it for a while and then he ended up with it. He said the transmission was slipping and he got it fixed. Jeff commented that it is pretty worn and was worn when he got it. Chairman Pettingill said that we need to incorporate some type of a vehicle that Jeff can use at the plant. He said he would like Jeff to have some type of pick-up that he could haul something in. Steve said we need to have some numbers ready for a vehicle for the next meeting before we approve the budget. He said even if it is a payment that we have to make. Jeff said he can get a wholesale vehicle at the auction and will cost around \$500.00 and skip all the dealership. He said he could buy it outright at the auction and save money. Board Member Beebe said through the State contract it would save us a tremendous amount of money. Jeff said he would look into that. Chairman Pettingill said this is something we need to think about and decide if it is something used or we make a monthly payment on a new vehicle. He stated he would like the whole board available to make that decision. Jeff asked how the cities buy their vehicles. Board Member Beebe replied that the police buy their vehicles under the State contract. He said if we buy through the State contract and keep the miles under 35,000 miles we can sell them and get more or equal value to what we purchased them for. Jeff said he would check into that. Jeff asked if we need to add a slush fund in case something happens. Chairman Pettingill said that we need to add a contingency to this no matter what. Chairman Pettingill said that both cities have an emergency fund. He said we need to know how much is in each emergency fund for each City. Chairman Pettingill said we need to see these numbers and incorporate it into the budget. Board Member Hansen said he would like to get a copy of this fiscal year's budget. Jeff said that last year's budget was \$345,000.

Jeff said he wasn't thinking about the electric motors on the blowers and the blower housing. He said he just sent one out and it was \$14,000 just for the motor, the coupling was \$1,700, and re-bearing the motor for \$2,000. He said if we had to replace the motor it would be around \$14,000. He explained that it is about \$1,000 for every 10 horsepower. Board Member Hansen said that everything in the plant that Jeff sees he needs to put a dollar amount behind it. Board Member Beebe stated that he can't

inventory every piece but we ought to have the essentials. Chairman Pettingill said this plant is only using half of some systems and when we start using the other half there is no chance to do that. Board Member Beebe said something is going to break that we don't have on the shelf.

Chairman Pettingill said two other items he would like to discuss is Paul Nelson's and Bruce Howard's service they performed for the board, he would like to compensate them. He asked the board members to think about that. Board Member Montgomery asked what kind of compensation he was thinking of. Chairman Pettingill stated when he took this job 5 years ago he was told that this board was going to be paid, and he would be compensated, that has yet not happened. Board Member Montgomery asked what kind of compensation he was anticipating. Chairman Pettingill commented that City Council's get compensated. He said we could go to other boards and get some numbers that would scare you. Board Member Montgomery said she knows how much Perry City Council gets compensated. Chairman Pettingill felt that they needed to do something to compensate them. Board Member Beebe asked about the 2 members of the Spur Committee. Chairman Pettingill said that they want to do it for a \$1.00 a year. Jeff said he signed a P.O. for \$5,000 to go to the South Valley Reclamation that has been helping us through the Willard Spur fight.

Board Member Beebe felt they should bump up the \$22,000 for parts. He asked if they had the accounting in this budget. Chairman Pettingill said they did not. Board Member Hansen said that Hal stated that it will be \$300 a month, and asked if that included coming to the meetings that we want him to come to. Hal said that was for preparing the financials and presenting the financials, but not spending a lot of time at meetings. He said he wanted to come and see how it went. Chairman Pettingill said that they had talked about whether he had to attend every meeting. Hal stated that he would come here and give them the financials and be available for questions. Board Member Hansen said if he was going to attend every meeting that would be over and above \$300.00.

Board Member Montgomery asked about Phosphorous. Chairman Pettingill said that is something that he is going to have Jeff talk to a board member for the Division of Water Quality between now and the next meeting. He explained if we have to assume that it will all be on us. Steve said he hoped that would be part of this permit and that would save a lot of money. He said the State may look at it and say that Perry is financially able to pay it, but didn't think they would do it to Willard. Steve said we do have some costs in that. He said the State doesn't give all of the money. He explained when you do this treatment you create more sludge and more pumping and it does cost more. Chairman Pettingill said that the budget reflects \$5,500 for vehicle. Jeff said that is for fuel his truck gets 5 miles a gallon pulling the trailer. Steve continued with the budget line item Phosphorous removal setup and it shows zero. Jeff said it will be about \$20,000. He said the last truck load bill he signed for was \$3,900 and he didn't get a full semi load when it came. He said it cost over \$4,000 to fill the Phosphorous tanks every time they need to be filled. Jeff stated that is what it will cost to maintain 1 part per million. Chairman Pettingill said the other plants in the State want us to achieve that but the State doesn't want us to so they can use this as a mandate for other plants. Jeff said that it is under

litigation, because the other plants can't hold 1 part per million. Board Member Montgomery stated that line item for Ken's wage is still listed as part time/temp employee. Jeff stated that was for the city workers. Board Member Montgomery stated that was for Ken's wages. Jeff said that the budget sheet he got the month before had a line item for that he said that number was split up and it was \$6,000 for the temporary employees for the city and then it went to \$9,000 automatically on the next budget sheet a week later. He said he didn't know what was going on and now it has gone to one big block with just one number. Jeff said the budget has changed 3 times in the last 60 days. Board Member Montgomery said she would check into it. Jeff said he could bring them out and show it to her. Board Member Montgomery said that she went straight to Shanna and she showed her the separate line items and then it went from \$6,000 to \$9,000. She said that it had a \$3,400 wage increase for Ken. Jeff asked why, he has not got a raise. Board Member Montgomery said it was not a wage increase it was a payout and it just impacted that line item. Chairman Pettingill asked how come it increased the line item. Board Member Beebe explained that they reflected his hourly wages being put in the line item. He said there was \$6,000 appropriated for it, and there has been an additional \$3,000 spent on his wages, and so now it is at \$9,000. Board Member Montgomery said it is not a change in the budget it is money that has been spent on the employee and does not reflect Perry City employees at all. Board Member Montgomery said this is going to be another salary and benefits for a full time employee. She said this will just change how it is on the budget. Board Member Beebe said on the new budget we have already come up with a \$3.00 increase plus \$64,000 so this line item would increase to \$89,000 for both employees. Board Member Montgomery said the benefits are for only one employee. Jeff stated that it was for two employees. Board Member Beebe said we need to find out if the benefits are going to go up. Jeff said it is around \$22,000 an employee. Greg Westfall said you need to figure about 30% of your salary should be your budgeted line item for benefits and that include URS, and health insurance. Steve said he added 33% on this line item.

Board Member Montgomery asked if supplies were office supplies. Board Member Beebe said the \$6,200 was for lab supplies. Jeff said they are fairly expensive. Board Member Beebe asked if there would be an increase in the cost of supplies. Jeff replied when the phosphorous is no longer paid by the State he will be spending more money on supplies. Jeff stated that he will be doing 4 samples a day at \$100 a month and then he has to send it out to the legal certified sample. Board Member Beebe said we are talking about \$3,600-\$4,000 increase in the supplies in sampling. He said that the phosphorous is monitors on the discharge water and they are going to spend a certain amount of money in the next 18 months to 24 months raising that dike up. Bob said the way that the project was proposed is that the camp grounds have to go up correspondently. He stated it might be a good time for them to run the sewer line over here and take control of those ponds with the possibility of pumping that in there and let the phosphorous run its course and try to keep it at 1% or less coming out of the plant and run it right out of the sewer lagoons. He said we would have to be permitted to do that, but the ponds themselves are permitted already. Bob expressed that it might be a good time to take care of it with the new permitting process.

Chairman Pettingill said we have two State agencies that conflict with each other because the Willard Bay owns the sewer lagoons and they don't want to pay anymore as the bay goes they would rather have some deal that they can bring their sewage here at a reduced rate. He said they have to be a user like everyone else with so many ERU's. Steve said we can't say we will take their sewage and not be compensated for it. He stated before that you need to get an engineer on board to see if it is a viable thing to do. Chairman Pettingill asked Jeff to follow up with Mr. Morgan and talk to him about the sewage. Board Member Montgomery asked if Willard Bay comes into our system is it negotiated between the cities capacity. Chairman Pettingill said that it would be Willard's because it is in their jurisdiction. Esther asked if it would be a contract between Willard City and that entity. Jeff said that Willard Bay has three pump stations. Chairman Pettingill told Jeff to talk to Leland Myers about the Phosphorous.

Chairman Pettingill recapped the new budget: \$22,000 for chains and gear motors, \$6,400 for Ken's raise, Susan clerical work \$1,200 (\$100.00 a meeting), extra parts \$16,000, and supplies for extra Phosphorous testing \$3,600, Phosphorous \$50,000 (if we don't have to pay for the Phosphorous) plus another \$20,000 (if we have to pay for the Phosphorous).

Jeff asked if there was any expansion that the board members were aware of in their respective cities. Board Member Beebe asked what the utilization percentage was. Jeff stated 28%. He said the more users the more sludge. Jeff said he talked to Paul Nelson and he said 25 houses in Perry. Board Member Beebe said if Willard gets 25 houses it would be a good year.

Chairman Pettingill said he has got to add another \$3,600 to the budget for Allen & Associates for financial services. Board Member Beebe felt that the extra parts line item was too low and felt an additional \$10,000 should be added above and beyond the \$16,000.

Mr. Allen asked what the Professional and Technical was. Jeff stated that is for engineering services, and he has Coombs & Hobbs come out every 6 months and go through the UV System electrical with him, that is the only contract person he has come. He said also \$5,000 for the South Valley Reclamation for the Willard Spur. Jeff explained if he has to go to a treatability study it will cost \$2,000 every time he takes the sample to be tested. He said we have the most stringent permit in the State when it comes to this. He said we are 100% effluent so if we get kicked into a treatability study it will be weekly until we figure out the problem and get it fixed. Jeff said that if this happens it could cost us \$2,000 a week until it is solved and that is without any consulting and engineering involved. Chairman Pettingill felt that we needed to incorporate some fluff in the budget even if it goes back into the surety fund at the end of the year you have the ability to pay for these dynamic things because they will be coming.

Jeff said that during the Easter weekend he could not even make Oxygen in the plant he had everything running at 100% and still could not produce Oxygen. He said he has to

live this out for 45 days. Jeff stated that he did not know what they dumped last time, he suspects a Chloride that bound up the in there and he had a hard time getting rid of it. Chairman Pettingill said we may have to do a pretty serious study to find out where this is coming from. Jeff said last year when this happened the only strange thing we found is that there was a manhole that was missing and it made him wonder if someone was dumping something in there. Chairman Pettingill commented that in next week's meeting there will be a closed session and they will talk about legal representation. He said they will also discuss compensation for the people who have served. Jeff said he would like to increase the disposal an additional \$2,000 just to be safe. Jeff said that he will send all the bills to Allen & Associates and he will come and verify and sign. Hal with Allen & Associates said we need to go through this and get a process. Board Member Montgomery asked about employee retirement. Greg Westfall, Perry City Administrator suggested that someone talk to URS and see how they will recognize this entity. Jeff said that he is considered a Perry City employee. There will be further discussion on the budget at the next meeting.

Adjournment

MOTION: Board Member Montgomery moved to adjourn. Board Member Beebe seconded the motion. All in favor.